

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 5/31/2007**

	As of <u>5-31-07</u>	As of <u>6-30-06</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,871,806,569	\$ 1,568,651,856
INTERNATIONAL EQUITIES	940,933,255	728,736,085
DOMESTIC FIXED INCOME	1,974,209,661	1,827,967,399
INTERNATIONAL FIXED INCOME	179,886,949	175,048,602
REAL ESTATE POOL	403,867,414	361,756,992
VENTURE CAPITAL	174,115,899	137,923,531
INVESTED CASH (NOTE 1)	<u>88,158,712</u>	<u>86,329,243</u>
 TOTAL INVESTMENTS	 5,632,978,459	 4,886,413,708
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	22,888,406	23,902,849
CONTRIBUTIONS/ASSESSMENTS REC	197,286	7,715,230
MISCELLANEOUS RECEIVABLES	<u>3,634</u>	<u>3,797</u>
 TOTAL RECEIVABLES	 23,089,326	 31,621,876
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	10,079,883	9,827,265
DUE FROM OTHER AGENCIES (NOTE 3)	41,487	120,619
FIXED ASSETS (NET) (NOTE 4)	<u>1,035,729</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u><u>\$ 5,667,224,884</u></u>	 <u><u>\$ 4,929,019,197</u></u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	4,289,959	4,369,151
ACCRUED EXPENSES	407,146	492,643
CAPITAL LEASES PAYABLE	5,662	5,662
DUE TO OTHER AGENCIES (NOTE 5)	<u>41,486</u>	<u>120,619</u>
 TOTAL LIABILITIES	 4,744,253	 4,988,075
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,122	4,424,431,522
CASH IN DURING YEAR (NOTE 6)	269,006,699	390,918,734
CASH OUT DURING YEAR (NOTE 7)	320,672,611	319,323,971
NET INCREASE (DECREASE)	<u>790,115,421</u>	<u>428,004,837</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>5,662,480,631</u>	 <u>4,924,031,122</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 5,667,224,884</u></u>	 <u><u>\$ 4,929,019,197</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 5/31/2007**

	Month Ended <u>5-31-07</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 14,079,372	\$ 143,185,529
SECURITIES LENDING INCOME	2,793,471	28,932,440
	<u>16,872,843</u>	<u>172,117,969</u>
 GAIN ON SALE OF INVESTMENTS	 51,480,003	 473,435,890
LOSS ON SALE OF INVESTMENTS	<u>16,471,958</u>	<u>212,681,881</u>
 NET GAINS (LOSSES) INVESTMENTS	 35,008,045	 260,754,009
 INVESTMENT EXPENSES	 3,610,396	 19,845,331
SECURITIES LENDING EXPENSES	<u>2,667,507</u>	<u>28,028,102</u>
 NET INVESTMENT INCOME	 45,602,985	 384,998,545
 NET APPREC (DEPREC) MARKET VALUE	 24,813,967	 453,097,767
MISCELLANEOUS INCOME/(EXPENSE)	<u>44,091</u>	<u>(2,491,531)</u>
 TOTAL INVESTMENT INCOME	 70,461,043	 835,604,781
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,872,198	 47,547,738
PURCHASED SERVICE CREDIT (NOTE 9)	253,111	2,310,412
PENALTY & INTEREST (NOTE 10)	<u>310</u>	<u>1,352</u>
 TOTAL ADDITIONS	 <u>76,586,662</u>	 <u>885,464,283</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	1,253,663	90,272,765
PARTIAL LUMP SUM BENEFITS PAID	0	513,849
REFUNDS TO MEMBER (NOTE 12)	<u>489,971</u>	<u>3,109,192</u>
 TOTAL BENEFITS PAID	 1,743,634	 93,895,806
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	81,684	892,933
OPERATING EXPENSES	39,297	560,123
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>120,981</u>	 <u>1,453,056</u>
 TOTAL DEDUCTIONS	 <u>1,864,615</u>	 <u>95,348,862</u>
 NET INCREASE (DECREASE)	 <u>\$ 74,722,047</u>	 <u>\$ 790,115,421</u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**May 31, 2007**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                    OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                    DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                    CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**5/31/2007**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.